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TAGS: [EIND](#) [EINV](#) [ECON](#) [NU](#)
SUBJECT: NICARAGUAN NATIONAL ASSEMBLY PASSES LOW-INCOME HOUSING LAW

REF: A) MANAGUA 416, B) MANAGUA 621

SUMMARY

[11.](#) (SBU) Summary: The National Assembly approved a housing law to provide affordable housing for low-income families and overcome a housing shortage.

PASSAGE OF HOUSING LAW

[12.](#) (U) On February 25, the National Assembly approved a housing Law (Law 677/2009) to provide incentives for the construction of housing for low-income families.

[13.](#) (U) The Social Fund for Housing (FOSOVI) will administer all government funding, subsidies, donations, and loan agreements with banks and construction companies.

[14.](#) (SBU) Foreign and local property owners are concerned that the law would allow the GON to expropriate private property for low-income housing.

FINANCING

[15.](#) (SBU) Real estate developers doubt the GON will be able to acquire funding to finance and build low-income housing. Jose de Jesus Rojas, General Secretary of the National Chamber of Housing (CADUR) said the GON lacks the resources to build the 100,000 units.

[16.](#) (SBU) Alfonso Silva, President of the National Chamber of Housing (CADUR) and supporter of the law, asserted that the GON is obtaining funding from the United Nations.

PARTISANSHIP

[17.](#) (U) The Government of Venezuela (GOV) is helping the GON to build and finance low income homes through ALBA-CARUNA, a financial cooperative.

[18.](#) (U) In 2008, the board of directors of the state-owned National Social Security Institute (INSS) approved three loans totaling \$2.5 million.

COMMENT

[19.](#) (SBU) Industry representatives see opportunities to support the GON's efforts to build low-income housing, while at the same time stimulating the economy.

CALLAHAN